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The Alms of CIA

THE USUALLY invisible tentacles of the Central Intelligence Agency have now been found in the alms of a private foundation. This latest unmasking of the CIA, by Congressman Wright Patman of Texas, adds one more unsettling chapter to the story of questionable activities by the spy agency. However necessary the gathering of foreign intelligence may be, the CIA's intrusion into policy-making, its reported defiance of higher executive authority on occasion and its secret operations in the domestic field are enough to make citizens wary of its role in a democracy.

According to Representative Patman, the CIA, from 1959 until sometime this year, used the J. M. Kaplan Fund of New York City as a "secret conduit" for channeling funds for an unknown purpose. Whatever the purpose was, the implications of this case are disturbing. Twice during the 1950's district directors of the Internal Revenue Service recommended that the tax exempt status of the Kaplan Fund be revoked. Then in 1960 a third director, after consultation with IRS headquarters in Washington, recommended that the exemption remain in force. Although a spokesman for the IRS said the tax agency had "no arrangement" with the CIA, the IRS was admittedly informed of the CIA's interest in the Kaplan Fund. Meanwhile, the IRS has still not made a final ruling on the Kaplan Fund's tax status, and its investigation of the Fund is continuing.

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As chairman of a House Small Business Subcommittee which has been looking into foundation operations, Congressman Patman charged on Aug. 10 that the Kaplan Fund's founder used the foundation to further his business empire. He said the Fund's gross receipts from 1951 through 1963

totaled \$19.3 million, while disbursements came to \$6 million. This week Mr. Patman said the IRS investigation may involve "millions of dollars in tax liabilities."

Without full information on this case, we have no way of judging the validity of the Kaplan Fund's claim to tax exempt status. But we can hardly help wondering in the first place, why the CIA chose a foundation that was under investigation and, second, how the Internal Revenue Service could make an impartial finding on the Kaplan Fund when it knew that the Fund was being used by another government agency for unknown objectives. More important is a still larger question raised by the Kaplan

Fund revelation: How can citizens have confidence in the integrity and benevolence of foundations when they suddenly learn that a spy agency has been manipulating a foundation whose organization aims were stated to be "exclusively" charitable and designed "to strengthen democracy at home and abroad through a general program of assistance to benevolent, charitable, educational, scientific and literary activities, with some emphasis on inter-group relations"?

Mr. Patman—who brought this story to light because he thought he had been "trifled with" by the CIA—now seems to be satisfied that his subcommittee need not pursue the CIA trail any farther in this case. The American people, however, cannot be blamed for feeling that they are being "trifled with" until they have a regular congressional watchdog committee to keep an eye on the CIA's devious operations in a more systematic way than is possible with a group such as Mr. Patman's.